

RECIPROCITY

ITS EFFECT ON THE
MARITIME PROVINCES



MS. 156

RECIPROCITY:

Its Effect on the Maritime Provinces.

In what respects will reciprocity benefit the Maritime Provinces?

This is the question of the hour, and it is one that affects the interests of the whole people. It is a practical business question. Here are two countries lying side by side, which desire to trade together and which, from the very nature of things, must and do trade together to a very large extent. The people speak the same language, have common aspirations and ideals, and are in large part of common ancestry. They are on the most friendly terms, each respecting the other, and agreeing to forget past political differences. Each needs much that is produced by the other, and trade between the two countries steadily grows, despite the restrictions that have been imposed.

It is now proposed to remove some of these restrictions, and permit trade in natural products to flow more freely over the border. The interests in the Maritime Provinces which are chiefly concerned are those of the farmers, the lumbermen and fishermen. The manufacturers are only concerned to the extent that greater prosperity for these other interests would mean a better home market for the products of the factories, which would be as fully protected under reciprocity as they are at present.

It goes without saying that what increases the prosperity of the farmers, the lumbermen and the fishermen of the Maritime Provinces must of necessity benefit all classes in the community. This being so, let us consider the effect of reciprocity upon these interests. It is universally agreed that the old Reciprocity Treaty was of great benefit to these Provinces, and its abrogation a severe blow. It is also an undisputed fact that until the Conservative party went out of power they were eager for a renewal of that treaty. Has anything occurred since 1896, of so radical a nature as to make what up to that time was desirable, a thing to be regarded with fear and suspicion?

For many years the Maritime Provinces have witnessed the great growth of the West, have assented cheerfully to great national expenditures for western development and have suffered the drain incident to the movement of their sons and daughters to the western provinces. If reciprocity will improve the conditions at home, leading to a more rapid development of local resources, and thus having a tendency to keep our people at home, to build up this part of Canada, without doing injustice to any other portion of the country, then every voter in the Provinces should demand the ratification of the agreement.

CONSIDER THE FARMER.

With reciprocity the farmer in the Maritime Provinces will gain a large free market, close at hand, to which he can ship products that could not be profitably sent to the British market. He is brought into touch with a great consuming population, which has need of the things he produces. The following is a comparative statement of some of the exports from Canada to Great Britain and the United States for the year ending March 31st, 1910, taken from the official Trade Report:

Article—	To Great Britain.	To United States
Horses	\$68,815	\$446,971
Lambs	415,912
Sheep	11,441	153,767
Poultry	27,468	137,290
Oats	508,300	534,680
Hay	922,718*	673,220
Maple Sugar	1,843	127,082
Potatoes	259	346,903
Turnips	550	173,933
Vegetables, all other.....	6,613	150,078
Apples, green or ripe	4,184,878	132,810
Berries of all kinds.....	12	148,676
Fruit, all other, N. E. S.....	83,089	35,382
Butter	537,493	199,854
Cheese	21,481,566	23,995

Grass and Clover Seeds	239,507	489,180
Eggs... ..	9,333	11,551
Cream, sweet (year 1911)	1,714,528

*Largely fodder for cattle on the ships.

These are products in which the Maritime Province farmer is especially interested. The United States, despite the tariff, has absorbed the great bulk of them. The only exceptions are hay and oats, and even of oats the American market took the larger quantity. The removal of the duty will mean a great increase in exports, with consequent profit to the farmer, while the growth of profitable production will enhance the value of farm lands.

The suggestion that American farmers may compete in the Maritime Provinces seem too absurd to call for any reply. In the early part of the year, before our own vegetable products and fruits are ready for market, we import from the States, and the removal of the duty would benefit the consumer. Later, when their supply is short, we export to them, and reap a second benefit. The free entry of live stock will be a distinct benefit to our stock raisers. An attempt has been made to show that reciprocity would be bad for the potato growers, but the answer is that only twice in the knowledge of the present generation have potatoes been as high in price in Canada as in the United States. One of these times was last year, when there was a failure of the potato crop in Western Canada. Under normal conditions the Maritime Provinces would greatly benefit by free entry to the American potato market. This fact was very clearly brought out by Mr. Carvell in a speech in Parliament at the last session, already referred to, and he spoke as the representative of the greatest potato raising constituency in Canada, the County of Carleton, N. B., which adjoins the great potato country of Aroostook, Maine.

With regard to hay, the Maritime Provinces have not been able to make a success of exports to the British market. The removal of the American duty of \$4.00 per ton would be of enormous benefit. That market is close at hand, and easily reached, and would be a veritable boon to farmers having hay for export.

One of the great benefits of reciprocity would be the rapid development of the small fruit industry in New Brunswick and Nova Scotia. A St. John River steamboat owner, who is a Conservative, has stated that free entry of our small fruits to the American market would within three years result in the running of special steamers in summer from the St. John River to Boston, to carry fruits to that market. Even if his views are over-sanguine, it is universally admitted that the removal of the duty would mean an enormously increased production of small fruits, and a notable development also of the orchard industry.

An impetus given to a number of varied branches of agriculture has a most healthy and stimulating effect upon all, and farm lands as a consequence increase in value. This is what Reciprocity means to the agriculture of the Maritime Provinces. It means an awakening such as has not been experienced since the abrogation of the treaty of 1854. It means two free markets instead of one. It means that the farmer will not be dependent upon the limited population of the Provinces for his market, but will have free access to the great consuming centres of the thickly populated New England States. They offer a market for everything he produces. If he can get a better price elsewhere, well and good; but when he cannot, they at least give him an opportunity to dispose of his products at the market price, without the imposition of a duty. He is thus encouraged to make his farm more productive, and every additional foot of ground tilled, or made to produce more than before, adds to the wealth of the community.

"We need a larger market," has long been the plea of Maritime Province farmers. It is now offered to them, without the sacrifice on their part of any local, national or Imperial interest.

Nor must the fact be overlooked that the reduction in the Canadian duty on agricultural implements, which is part of the agreement, will be of very considerable benefit to our farmers.

A BOON TO LUMBERMEN.

In New Brunswick and Nova Scotia the lumber industry is of very great importance, and when it is prosperous the benefit is shared by

a large proportion of the total population. The United States, even in face of the duties imposed, is the chief market; indeed, it is almost the only market for a considerable portion of the product of the mills. Let us quote again from Mr. Carvell's speech, a comparative statement of the exports from Canada to Great Britain and the United States. The figures are for the fiscal year 1910, and are from the official trade reports:

	Great Britain.	United States
Spruce Deals	\$5,825,32	\$ 572,103
Laths	130	1,852,211
Logs	39,324	353,969
Shingles	1,274	2,298,055
Planks and boards	1,387,439	17,877,349
Scantling	487,262	593,428
Sleepers and ties	15	328,277
Total Lumber products	10,024,960	23,927,619

Take the items of laths, shingles, and planks and boards, which we have been compelled to send in such great quantities to the American market in the face of the duties now imposed. On this point let us quote Mr. Carvell once more:

"In nine-tenths of the cases, the profit which the manufacturer makes upon spruce lumber lies entirely in the money which he gets out of the by-products, and these he cannot sell to Great Britain; indeed you could hardly give them away to Great Britain. Our market for by-products in all my lifetime has been in the United States."

In March, 1910, Mr. O. S. Crocket, Conservative member for York, N.B., wrote to Hon. W. S. Fielding the following letter:

Ottawa, March 11, 1910.

Honorable W. S. Fielding, Minister of Finance, Ottawa.

Dear Mr. Fielding,—I have a communication from the Scott Lumber Company, Ltd., who operate two or three mills in my constituency, requesting me to lay before you, in connection with the recent negotiations between the Canadian and the U. S. Governments upon the tariff matter, the representation that the recent increase in American duty has seriously affected the business of Canadian mills, particularly in the Maritime Provinces.

They claim that the rate of 50c per thousand is unreasonable and almost prohibitive, and that in the interest of this trade, our Government should at least endeavor to have it reduced to the old basis of 30c a thousand. I trust that if the question of revision of the two tariffs is taken up, you will bear this communication in mind. Yours truly,
(Signed) OSWALD S. CROCKET.

Similar representations were made by large manufacturers of lumber, in the Maritime Provinces, Quebec and British Columbia, all of whom expressed the like hope that the "almost prohibitive" duty of 50 cents per thousand on shingles would be reduced to the old basis of 30 cents.

The Canadian Commissioners succeeded in meeting the views of the lumber manufacturers in this respect. Under reciprocity the duty on shingles would be reduced to 30 cents per thousand and on laths from 20 c to 10 c per thousand pieces. This, with the abolition of the duty of \$1.25 per 1000 feet on rough sawn lumber would be a clear gain to the provincial shipper.

There is every reason to believe that under reciprocity there would be a marked revival of the coasting trade between the Maritime Provinces and United States ports, which would be another great factor in promoting the prosperity of the people.

It is important to note also that Canada ships much larger quantities of pulp and paper to the United States than to Great Britain. The figures for 1910 are:

	Great Britain.	United States.
Chemical Pulp	\$ 42,252	\$1,597,319
Mechanical Pulp	888,898	2,557,990
Printing Paper	527,851	1,246,795

The Maritime Provinces are manufacturers of pulp, and should soon be manufacturers of paper on a large scale. Whatever tends to provide a better market will tend to the more rapid development of the indus-

try, and it is hoped that under reciprocity a way will be found to enable Canada to take fuller advantage of the great American pulp and paper market. Pulp wood (the raw material) is now admitted free of duty to the United States. Surely it would be much better to have the manufactured article go in free of duty and so encourage the manufacture of pulp and paper in our own country.

It is perfectly clear that so far as the lumber trade is concerned these provinces would profit very largely by reciprocity, while they make no sacrifice at all. Whatever is conceded by the United States is so much gained. The trade under reciprocity would be placed on a much more secure and profitable basis.

There is one other consideration. Very large quantities of logs cut in Northern Maine are floated down the St. John river every year, to be manufactured in mills at St. John and admitted free into the American market. Under a late enactment the privilege of free admission of this lumber, unless reciprocity is adopted, will be cancelled, and it must pay duty, which would materially affect a very important St. John industry.

PROFIT FOR FISHERMEN.

Premier Murray of Nova Scotia, speaking in Halifax of the benefits of reciprocity, said:

"I believe no man to-day can foresee what a free market for fish will bring to the population of our seaboard. I see no reason to-day why the fishing fleet of Nova Scotia should not increase threefold. I see no reason why we should not become the principal fish producers of this continent."

Mr. W. S. Loggie, M.P., who is an authority on the fishing industry of the Gulf Shore of New Brunswick, told a Miramichi audience that reciprocity would mean thousands upon thousands of dollars every year to the fishermen of that district.

A writer in a Nova Scotia paper who evidently understands the views of Nova Scotia fishermen, gives a practical illustration of conditions under the Reciprocity Treaty of 1854, and asks:

"If the fisherman is now offered an opportunity of selling his products at an advance in prices, and also of greatly increasing his aggregate sales, what will be his feeling if the reciprocity agreement is not ratified? Is he not likely to wish that he was living in the States? On the other hand, if the agreement is ratified, will he not be content to remain where he is?"

Mr. Carvell, in the speech in parliament from which we have already quoted, states that about \$325,000 worth of sardine herrings go from the waters of Charlotte county, N.B., to Maine factories every year. The Americans evade the duty of 1-4c per pound by taking them over the line in American vessels, commanded by Americans. But the fish are caught by Canadians and sold to these American vessels. "The result has been," said Mr. Carvell, "that hundreds of our vessels have been transferred from the Canadian to the United States register, and hundreds of our citizens, who are the owners and managers of these vessels, have been compelled to become United States citizens, and in fact, to reside in the United States before being allowed to run these small vessels in which the fish are carried away." Under reciprocity Canada would regain these citizens and their vessels.

At present there is a duty on fish going into the United States as follows: Mackerel, 1c per lb.; herring, fresh, $\frac{1}{4}$ c per lb.; herring, pickled or salted, 50c per 100 lbs.; herring, smoked or kippered, $\frac{1}{2}$ c per lb.; halibut and salmon, fresh, pickled or salted, 1c per lb.; cod, haddock, ling, pollock, fresh, salted or pickled, $\frac{3}{4}$ c per lb.; cod boneless, $1\frac{1}{4}$ c per lb.; eels and smelts, fresh or frozen, $\frac{3}{4}$ c per lb.; all other, fresh, pickled or salted, $\frac{1}{2}$ c per lb.; salmon and all other fish, prepared, preserved, m.o.p., 30 per cent. If in packages containing less than half a barrel, minimum, 30 per cent; fresh water fish, 1-4c per lb; all other fish (except shell fish) 3-4c per lb.

Under the reciprocity arrangement the above duties are to be remitted, and all fish, and fish oil as well, are to be admitted free. Oysters and lobsters will also continue to be admitted free of duty.

Under reciprocity it goes without saying that the trade with the United

States would increase rapidly, there would be a great development of the fishing industry, and a consequent large benefit to the whole community.

In this connection it must not be forgotten that the markets of Porto Rico, to which considerable quantities of fish are now exported from the Maritime Provinces, especially from Nova Scotia, will under Reciprocity be free to Canadian fish.

EAST AND WEST TRADE

It has been alleged that Reciprocity would tend to divert the trade of Canada to American channels and destroy the trade of the Atlantic ports. The answer to this is, that Canada's trade for export may now go in bond through United States ports, and that therefore there will be no change in the conditions, as a matter of fact, more than one-third of the trade carried by the winter port steamers from St. John last winter, originated in the United States, coming from such centres as Chicago, Kansas City, Minneapolis and others. This trade came to a Canadian port, because the Canadian port was preferred. The Canadian route has the advantage in distance, and will continue not only to carry the increasing trade of this country, but a greatly increased trade from the United States, which will seek this outlet. Sir Donald Mann, who ought to be an authority on this question, has declared that Reciprocity will not injure the east and west trade of Canadian railways a particle. None of the greater railways are at all disturbed over the prospect of reciprocity, nor are the investing public, for the stocks of these railways have not been affected in the slightest degree by the alarmist articles in the Conservative press.

GENERAL REMARKS.

No attempt is made in this pamphlet to do more than deal briefly with salient features of the trade agreement as they affect Canadian interests. The aim is to set clearly before the reader the beneficial results that would follow the adoption of the agreement. The statements made and the illustrations given will at once suggest others of like tenor to the mind of the thoughtful reader. The farmers, lumbermen and fishermen of the Maritime Provinces are given a larger free market, and the agreement does not contain any provision that would injuriously affect their interests in any direction. Canada's trade with the United States last year totalled \$404,137,940. Of this the exports totalled only \$119,203,201. Under reciprocity there would be a fairer exchange, and we would pay for much more of our imports by sending our products instead of our money to that country.

It must be remembered that the manufacturers do not suffer by this trade agreement. On the other hand, the general prosperity which will result from development of our natural resources will enlarge the home demand for their products.

Reciprocity is exactly what the Maritime Provinces want, to give new hope to the people, and open up a wider field of enterprise. Closer trade relations with the United States will naturally attract American capital for the development of local resources. There will be, as already intimated, a revival of the coasting trade, so valuable to provinces having an extended seaboard. The alleged fears of the manufacturers, that reciprocity may lead to a reduction of duties on articles they produce, do not appeal at all to the people of these provinces. That question can be dealt with when it arises, if ever it does arise; but it is not now an issue.

As far as the United States are concerned, the chief motive behind the movement for reciprocity was not to secure larger markets for their produce, but to secure needed supplies for the consumers of that country, where the very high cost of living has become the most serious problem with which they are confronted. Their need is Canada's opportunity.

FRIENDLY RELATIONS.

When one turns to a consideration of the importance of friendly relations between these two countries, there is no difference of opinion. There are few families in the Maritime Provinces who have not relatives or close friends, once their neighbors, in the New England States. There are very many provincialists in New England who, had the reciprocity treaty of 1854 not been abrogated, would to-day be engaged in the development of provincial resources. The people of these provinces and those

states maintain the most kindly feeling toward each other. This was recently illustrated when the 62nd Regiment from St. John was given a splendid welcome in Boston, and the Union Jack flew in their honor from the top of the Bunker Hill monument, as an indication that old prejudices have been buried with the past.

The two peoples understand each other, and have much in common. Under reciprocity they will both reap a benefit, for artificial and unnatural barriers will be broken down. It is a well known fact that much American capital has already found investment in the provinces and it has been welcomed. But what is most important in relation to the new trade agreement is the fact that by providing larger markets it will encourage our own people to develop on a more extensive scale the great natural resources at their command.

Another point worth noting is that the government makes great efforts, and rightly so, to open distant markets to Canadian products on more favorable terms. Why should not every reasonable effort be made to take advantage of the great consuming market at our very doors?

IMPERIAL CONSIDERATIONS.

Would reciprocity with the United States weaken the loyalty of the people of the Maritime Provinces to British rule? To suggest it is to insult the people. Their loyalty is not a matter of trade. The prosperity that followed the adoption of the Treaty of 1854 did not weaken their allegiance, nor will that which will follow the adoption of the present trade agreement. What makes for the prosperity of Canada makes for the strength of the Empire. This agreement does not affect our trade with the Mother Country. That great market remains free as before for the products which can profitably be sent across the Atlantic, and Canada still grants the preference on goods imported from the Mother Country. Sir Wilfrid Laurier stated in London recently that Canada had nailed the British preference to the masthead, and that is the policy of Canada. The British Government sees no danger to British interests in the trade agreement with the United States, but heartily approves of the measure.

There is a broader aspect of the relation of Canada to the Mother Country and the United States, which must appeal to every loyal Canadian. The relations between Britain and the United States are growing more friendly from year to year. The experience of the last named country in relation to colonies and to international affairs in general has changed the view point of her people in regard to British statesmanship, and the relations that should subsist between the two great Anglo-Saxon nations. In all matters the two approach each other in the spirit of a growing friendship. It is in the power of Canada, without the sacrifice of the smallest fraction of her material interests, or the autonomy so freely accorded by the Mother Country, to cement a friendship which means so much for human welfare. The present trade agreement offers one opportunity, and its ratification would be alike beneficial to Canada and the Empire.

But be it noted, for it is well to be perfectly clear on these matters, the moment the agreement is deemed to be unsatisfactory it may be terminated. There is, however, every ground to believe, as was stated both by the Canadian commissioners and the Secretary of State, Mr. Knox that the measure will prove so mutually advantageous that both countries will earnestly desire its continuance.

The Maritime Provinces have watched with pride the rapid growth of the West. They have themselves progressed in a substantial manner, but the people have felt that the West, owing to circumstances over which neither they nor the government had any control, was profiting somewhat at their expense, without compensating advantages to the East. But they also recognized that in the long run, whatever built up the West on a sound basis must benefit the whole country, and they loyally accepted the situation. They are now face to face with proposed conditions which will be alike helpful to them and the West, and such conditions as they have earnestly desired ever since confederation. It would be the veriest folly, if for purely partisan reasons this great boon were rejected, for it means the infusion of new hope and life and energy into every portion of the provinces by the sea.